To the Members of the California Assembly:

I am returning Assembly Bill 739 without my signature.

I support requiring disclosure of payments made for issue advocacy communications made close to an election at the local level. Unfortunately, this bill sets a much lower threshold for local candidates than state candidates. This arbitrary, "one-size-fits-all" disclosure threshold may or may not be appropriate in some local jurisdictions. For example the Mayor of one of California top cities represents more constituents than a member State Assembly. An issue advocacy campaigns in the Mayor's race would be required to report \$10,000 of issue advocacy expenditures, but could spend up to \$50,000 before reporting in the Assembly race.

I encourage local governments to consider establishing campaign disclosure rules in this area. I will work with the Legislature to establish reporting rules for issue advocacy communications that ensure adequate disclosure in both state and local elections.

Sincerely,

Arnold Schwarzenegger